



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/772,530	02/04/2004	Alan Tien	2043.150US1	5406
49845 7590 08/11/2008 SCHWEGMAN, LUNDBERG & WOESSNER/EBAY P.O. BOX 2938 MINNEAPOLIS, MN 55402				
EXAMINER				
LE, KHANH H				
ART UNIT		PAPER NUMBER		
3688				
NOTIFICATION DATE		DELIVERY MODE		
08/11/2008		ELECTRONIC		

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

USPTO@SLWIP.COM

Office Action Summary

Application No.

10/772,530

Applicant(s)

TIEN ET AL.

Examiner

KHANH H. LE

Art Unit

3688

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 25 February 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-22 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-22 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-946)
- 3) ☐ Information Disclosure Statement(s) (PTO/SD-108)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

DETAILED ACTION

1. This Office Action is responsive to the Response of 02/25/2008. Claims 1-22 are pending. Claim 11 is amended. Claims 1, 11, 21, 22 are independent.

Claim Rejections - 35 USC § 101

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-20, and 22 are directed to non-statutory subject matter.

Claim 1: Claim 1 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. Based on Supreme Court precedent, a method/process claim must (1) be tied to another statutory class of invention (such as a particular apparatus) (see at least *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876)) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing (see at least *Gottschalk v. Benson*, 409 U.S. 63, 71 (1972)). A method/process claim that fails to meet one of the above requirements is not in compliance with the statutory requirements of 35 U.S.C. 101 for patent eligible subject matter. Here the claim fails to meet the above requirements because the steps are neither tied to another statutory class of invention (such as a particular apparatus) nor physically transform underlying subject matter (such as an article or materials) to a different state or thing. (That is, neither the claimed reward payout nor the account meet either of the above two tests).

Claims 2-10 suffer from the same defect. (Note: Claim 10 can be interpreted as a tender by electronic payment, which is not a physical transformation nor tied to another statutory class of invention).

Claim 11: The claim can be directed to software only since “modules” are software and “machine” can also mean software only. For example, the network-based payment machine 14 “may be embodied as the Paypal.TM. Payment Service operated by PayPal of Mountain View, Calif.” (specification at [0023])). Since claim 11 can be interpreted as software only, it’s directed to non-statutory subject matter.

Claims 12-20 suffer from the same defect as claim 11 and no additional limitation in the claims successfully cures the defect.

Claim 22: All the recited “means” can be either software (modules) or hardware or a combination, since e.g. network-based payment machine 14 “may be embodied as the Paypal.TM. Payment Service operated by PayPal of Mountain View, Calif.” (specification at [0023])). Since claim 22 can be interpreted as software only, it’s directed to non-statutory subject matter.

Claim Rejections - 35 USC § 112

3. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

4. **Claims 11-20 and 22 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

Claim 11, which recites "A system .. including: at least one machine to execute: an account module ...; a payment module" is indefinite because the modules are not recited as stored in any memory of the machine or in the machine thus the issue is how does the machine execute such modules. In other words the structural elements of the system are not properly claimed.

Further it's not clear if "machine" is software only. See *35 USC § 101 discussion above*.

Claims 12-20 are rejected based on their dependency.

Claim 22: it's not clear if "means" are software only thus the scope of the claim is not clear. See 35 USC § 101 discussion above. Clarification is required.

Response to Arguments

5. Claims 1-22 were rejected under 35 U.S.C. § 103(a) as being unpatentable over Steiner ("PayPal Introduces New Merchant Referral Bonus Program") in view of PayPal ("When and why did the \$5.00 USD Refer-A-Friend Bonus end?").

Co-inventors and applicants Alan Tien and Dave McClure submitted Declarations under Rule 132 swearing unequivocally that the portion of Steiner which was relied upon in the Office Action in support of the rejection was subject matter that was invented by them and is disclosed and claimed in the present application. The part of Steiner that was relied by the Examiner for the rejection was the PayPal Merchant Referral Bonus Program. Thus it is taken that Applicants

claim the PayPal Merchant Referral Bonus Program was invented by them. Thus it is accepted that that part of Steiner is disqualified as prior art. MPEP 716.10.

As to "PayPal" the inventors only stated:

"The "Paypal" document has no stated date of publication. It was relied upon for a statement relating to a PayPal "Refer-A-Friend" bonus program that had been in effect at the time that the PayPal Merchant Referral Bonus Program was commenced following an August 21, 2003 announcement referred to in "Paypal." The copy of the web page on which "Paypal was published" bears a date of February 3, 2005."

This statement does not amount to an unequivocal statement of ownership of the "PayPal" document or of the PayPal "Refer-A-Friend" bonus program described in the "PayPal" document which was relied upon by the Examiner as secondary reference. This is true despite the inventors' statement that they are employed at PayPal from 2001 to 2004. Thus the PayPal document is not disqualified as prior art.

It is accepted however that under 35 USC § 103(c), the rejection of claims 1-22 under 35 U.S.C. § 103 is defective because at least the portion of Steiner discussing The PayPal Merchant Referral Bonus Program is not prior art, thus the previous rejection is hereby withdrawn.

A new grounds of rejection is discussed below.

Claim Rejections - 35 USC § 103

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1-22 are rejected under 35 U.S.C. 103(a) as being unpatentable over Perri, US 2001/0020231 in view of Hajdukiewicz, US 6980960 B2 and further in view of Warren, US 20030101131.

Claims 1-3, 8, 11-13, 18, 21, 22:

Perri US 2001/0020231 discloses computer assisted multi-level marketing compensation method wherein a message is sent from a first party to a second party, wherein the message includes a link to a processor (at which second party can sign up for a service) and the link has the first party identifier so the first party can be automatically compensated for specified activities of the 2nd party (see abstract, [0072], [0077]-[0079]). The referral message can be an email with links or a link on an ad banner posted on the website of a referring party (Figure 11, [0077]). Perri discloses the compensation of 1st party is for the 2nd party signing up to open a account (which can be an affiliate account, a shopping account or other service account, see [0079]) but Perri does not specifically disclose the compensation of 1st party is for the 2nd party signing up to open a payment account.

However giving finder's fee for referring another to open a financial account is well-known. (See e.g. Hajdukiewicz which discloses (col. 7 lines 30-35) finders fee for a referrer of a client who opens credit card account (i.e. reads on a "payment account" since this term is not specifically defined in the specification)).

Thus it would have been obvious to a person having ordinary skill in the art at the time the invention was made (herein a “PHOSITA”) to add the teaching of rewarding the finder of a new customer for a financial account to Perri to extend Perri’s marketing scheme to financial accounts.

Perri and HAJDUKIEWICZ further do not disclose a particular bonus program associated with the payment account among plural bonus programs.

However, Warren discloses a website for a potential reward recipients (e.g. account holder) to customize desired rewards features, such as criteria for earning rewards, methods of redeeming rewards, and types of compensation (abstract, [0004],[0047], [0065]). For example, rewards could be hotel, travel or shopping points, such as United Airlines miles or Marriott points, or cash, or merchandise. Payout conditions may be based on specific performance. Methods of redeeming awards may include automatic redemption at a predetermined event, e.g., a number of points earned, or customer initiated redemption. See [0065].

Thus it would have been obvious to a PHOSITA to add Warren’s teaching to Perri and HAJDUKIEWICZ to satisfy the 1st party by giving her a choice of reward plans. It would further have been obvious in that case to associate the particular bonus program with the account so effect the rewards scheme, i.e. properly pay the 1st party according to her choice of rewards. It would also have been obvious to associate the account identifier and the bonus program identifier to the 1st party identifier so that the 1st party can be automatically paid upon the required performance of the 2nd party which may be to open the account and pay into it.

Thus Perri, in view of Hajdukiewicz and Warren, as above discussed, disclose:

A system, machine readable medium storing a set of instructions to execute a method to incentivize a first party to refer a payment service to a second party, the method including:

establishing an account for the second party, wherein the account is associated with one of a plurality of bonus programs (e.g. open account) and wherein the account is further associated with the first party;

receiving a payment to the account for the second party (Perri in view of Hajdukiewicz);

wherein the first party is eligible to participate in a plurality of bonus programs (in view of Warren). (Note: this is also limitation of claims 8 and 18).

and automatically awarding a payout to the first party based on the payment to the account for the second party (Perri or Perri in view of Hajdukiewicz) and on the bonus program that is associated with the account (in view of Warren).

wherein the establishing of the account further includes associating a first identifier with the first party (per Perri) and a second identifier with the bonus program (per Warren) wherein the second identifier is utilized to identify the bonus program from the plurality of bonus programs (Warren).

Claims 4 and 14:

Perri, in view of Hajdukiewicz and Warren disclose a method or system as in Claims 1 and 11 above and Perri discloses communicating the first identifier to the second party via the first party so the 1st party can be paid (i.e. reads on the first identifier is utilized by the second party to establish the account).

However Perri, in view of Hajdukiewicz and Warren do not specifically disclose communicating the second identifier (bonus program ID) to the second party via the first party,

wherein the first identifier and the second identifier are utilized by the second party to establish the account.

However, as discussed above, Warren adds to Perri and Hajdukiewicz, satisfying the 1st party by giving her a choice of reward plans. In that case, it would have been obvious to a PHOSITA that the 2nd identifier for the bonus program also would have to be communicated to 2nd party by 1st party so the second party can submit both identifiers when opening his or her account, so 1st party could be appropriately rewarded under her chosen reward program.

Claims 5-6 and 15-16:

Perri, in view of Hajdukiewicz and Warren disclose a method or system as in Claims 1 and 11 above.

Warren further discloses configuring the plurality of bonus programs (programs), wherein each bonus program includes a plurality of payout conditions ([0065]) wherein the plurality of payout conditions is based on an at least one of an eligible volume, a payout rate, a payout period (Warren at [0065] discloses automatic redemption at a predetermined event which reads on for example an end of month thus a monthly payout period), an initial payout, initial hurdle and a maximum payout.

As discussed above, Warren was added to provide satisfaction to Perri's affiliate with rewards choices. Further addition of this known redemption method, as taught by Warren, to Perri, would only yield the predictable result of allowing redemption periodically thus would have been obvious at invention time.

Claims 7 and 17:

Perri, in view of Hajdukiewicz and Warren disclose a method or system as in Claims 1 and 11 above. Perri further discloses wherein the payout includes an at least one of an initial payout (when 2nd party opens an account, 1st party is paid, this reads on an initial payout).

Claims 9 and 19:

Perri, in view of Hajdukiewicz and Warren disclose a method or system as in Claims 6 and 16 above. Perri further discloses wherein the plurality of bonus programs include an at least one of an unrestricted bonus program (Perri does not put restriction on who can join the affiliate rewards program thus reads on an unrestricted bonus program) and a restricted bonus program.

Claims 10 and 20:

Perri, in view of Hajdukiewicz and Warren disclose a method or system as in Claims 1 and 11 above.

Warren further discloses wherein the payout is tendered in at least one of a plurality of national currencies (this is obvious for Warren's cash reward payments at [0065]). As discussed above, Warren was added to provide satisfaction to Perri's affiliate with rewards choices. Further addition of this known redemption method, as taught by Warren, to Perri, would only yield the predictable result of allowing redemption in cash in the designated currency thus would have been obvious at invention time.

Conclusion

6. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Gerace US 7032168 B1 discloses method for an affiliate to generate website links where the input or output set of hyperlink parameters includes any combination of at least one of a Merchant identifier, Affiliate Site identifier, Section Link Group identifier, Link identifier, Image identifier, and Program identifier. (Brief Summary Text - BSTX (14)).

Chapman US 20030135410 discloses multiple awards for multiple conditions associated with a financial account.

Strock US 20040122736 A1 discloses myriad of rewards programs associated with a credit card account based on holders' behaviors e.g. opening accounts, balances, time frame, and partners id's.

Gallagher 20020046110 A1 discloses computer based methods for carrying out an incentive award program, participating in a transaction having at least two parties, determining at least one of these parties to be an award recipient, and providing the award. wherein the award is chosen from a plurality of choices, including investment vehicles.

Feely 20050065847 discloses affiliate sign up from website of another affiliate abstract, [0021]-[0026]).

7. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Khanh H. Le whose telephone number is 571-272-6721. The Examiner works a part-time schedule and can normally be reached on Tuesday, Wednesday, and Friday 9:00-6:00.

If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, James W. Myhre can be reached on 571-272-6722. The fax phone numbers for the organization where this application or proceeding is assigned are **571-273-8300** for regular communications and for After Final communications. Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 571-272-3600. For patent related correspondence, hand carry deliveries must be made to the Customer Service Window (now located at the Randolph Building, 401 Dulany Street, Alexandria, VA 22314)..

Art Unit: 3688

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

August 4, 2008

/Khanh H. Le/

Examiner, Art Unit 3688